

FISCAL NOTE

Bill #: HB0744

Title: Implement refinancing of services through DPHHS

Primary Sponsor: Clark, E.

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
General Fund	(\$4,800,000)	(\$4,800,000)
Federal Special Revenue	\$9,850,000	\$9,850,000
Revenue:		
General Fund	\$0	\$0
Federal Special Revenue	\$9,850,000	\$9,850,000
Net Impact on General Fund Balance:	\$4,800,000	\$4,800,000

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|--|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. The purpose of the refinancing unit is to identify and implement programmatic changes that would move costs from the general fund to federally funded sources. The anticipated results of the refinancing unit were included in the executive budget for the 2005 biennium.
2. HB0744 will require 5.00 FTE grade 17 positions and operating costs. Salary and benefits for a grade 17 are estimated to be \$48,219 per year. Total personal services costs are estimated to be \$482,190 for the biennium (5.00 FTE x \$48,219 = \$241,095 x 2 years = \$482,190).
3. Total operating costs are estimated to be \$641,905 for the biennium. Of this amount, \$41,905 is for general operating costs such as rent, janitorial, and supplies (\$23,897 in FY 2004 and \$18,008 in FY 2005). A total of \$600,000 (\$300,000 per year) is included for contracted services.
4. General fund has been reduced by \$4,800,000 per year and federal funds were increased by \$9,850,000.
5. The executive budget includes a \$4,800,000 general fund decrease and a \$4,800,000 federal fund increase; \$3,000,000 per year from the Child & Family Services Division (DP 28) and \$1,800,000 per year in the Disabilities Services Division (DP 296).

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6. Additional federal funding of \$5,050,000 is included from two sources -- in the Disabilities Services Division (DP 89) in the amount of \$4,050,000 per year, and in the Senior & Long Term Care Division (DP 113) in the amount of \$1,000,000 per year.

FISCAL IMPACT: Department of Public Health and Human Services (Pgm 04)

	FY 2004 <u>Difference</u>	FY 2005 <u>Difference</u>
FTE	5.00	5.00
<u>Expenditures:</u>		
Personal Services	\$241,095	\$241,095
Operating Expenses	323,897	318,008
Benefits	<u>4,485,008</u>	<u>4,490,897</u>
TOTAL	\$5,050,000	\$5,050,000
<u>Funding of Expenditures:</u>		
General Fund (01)	(\$4,800,000)	(\$4,800,000)
Federal (03)	<u>9,850,000</u>	<u>9,850,000</u>
TOTAL	\$5,050,000	\$5,050,000
<u>Revenues:</u>		
Federal (03)	\$9,850,000	\$9,850,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	\$4,800,000	\$4,800,000

TECHNICAL NOTES:

1. The amounts in assumptions 4, 5, and 6 are based on the executive budget and have been modified by the Human Services Sub-Committee on Appropriations. Based on sub-committee actions, the amounts in assumption 5 are \$4,556,785 decrease in general fund in FY2004 and \$4,455,135 decrease in general fund in FY2005; federal funds are increased \$7,593,953 in FY2004 and increased \$7,383,971 in FY2005. The amounts in assumption 6 do not change, but they are now included in the Director's Office.